

## INTRODUCTION

This fiscal manual has been developed to provide subgrantee organizations funded by the California Commission on Improving Life Through Service with a condensed overview of the financial management requirements of a Corporation for National Service grant. The manual will not supersede any of the requirements that are established by the terms and conditions of a grant/contract or the standard federal requirements that apply to all grants to states. It is intended solely as a reference guide to help programs establish and maintain fiscally sound programs that operate in compliance with federal and state statutes, regulations, provisions, and policies.

This manual discusses only financial management requirements and contains no guidance on meeting program requirements.

The terms program and sub-grantee are used interchangeably throughout this manual.

For your convenience, the glossary includes the AmeriCorps terms identified in the AmeriCorps Provisions prepared by the Corporation for National Service.

We welcome your comments. Please send them to the  
California Commission on Improving Life Through Service  
1110 K Street, Suite 205, Sacramento, CA 95814 or by e-mail at [commission@ciltls.ca.gov](mailto:commission@ciltls.ca.gov).

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**A****A****GRANTEE RESPONSIBILITIES AND AWARD CONDITIONS**

The grant award is an agreement between the Commission and the grant recipient, or program. Programs must conform to the agreement as specified. Failure to do so may result in the withholding or disallowance of payments, the reduction or termination of the grant award, and/or the denial of future grant awards.

Grantees must comply with all applicable federal/state laws and regulations.

The Commission may withhold grant funds and/or disallow expenditures when the program fails to comply with any term or condition of the grant award or Federal regulations. This may include, but is not limited to, the following:

Failure to submit the required reimbursement claims in a timely manner;

- ◆ **Failure to submit the required progress reports in a timely manner;**
- ◆ **Failure to resolve interim or final audit exceptions on past or current grants in a timely manner;**
- ◆ **Inadequate maintenance of accounting records;**
- ◆ **Failure to submit proof of coverage in a timely manner;**
- ◆ **Failure to cooperate with or admit Commission staff or representatives (e.g., audit team) to review program and/or fiscal records.**

The Commission may reduce or terminate grant funds for reasons that may include, but are not limited to, the following:

- ◆ **Failure to comply with any term or condition of the grant award.**
- ◆ **Reduction or elimination of federal funds appropriated for the purposes of the grant award by the United States Government during the term of the grant award.**

Programs that have been previously funded by the Commission will be reviewed for past compliance, including financial management, progress and annual reports, monitoring results, audit reports, and any other relevant documentation or information.

- ◆ **Failure to comply with any term or condition of a grant award may result in the denial of future grant awards.**
- ◆ **Commission funds must be used to supplement existing funds for program activities and not replace those funds which have been appropriated for the same purpose. Supplanting is strictly prohibited for all Commission funds.**

The grant award/contract entered into with the Commission is subject to any applicable restrictions, limitations, or conditions enacted by the California Legislature and/or the United States Government subsequent to execution of the grant award.

It is the policy of the Federal Government to conduct business only with responsible persons, and a system for debarment and suspension from programs and activities involving Federal financial and nonfinancial assistance and benefits assists agencies in carrying out this policy. Debarment or suspension of a participant by one agency has government-wide effect.

Applicants must certify that they will adhere to Federal Executive Order 12549, Debarment and Suspension. By signing the Certification of Assurance of Compliance form, the applicant certifies to that effect.

### **FINANCIAL MANAGEMENT SYSTEM BASICS**

A sound financial management system is essential to operating a successful AmeriCorps program. A weak system jeopardizes control over federal resources and places a program at risk of having material findings during an audit. The following are ten steps to a sound financial system:

- ◆ Step#1: Know your regulatory requirements.
- ◆ Step#2: Document your policies and procedures.
- ◆ Step#3: Maintain adequate source documentation to support expenditures.
- ◆ Step#4: Manage cash effectively.
- ◆ Step#5: Design an efficient accounting system.
- ◆ Step#6: Maintain effective budgetary controls.
- ◆ Step#7: Document and report employees' and members' activities accurately.
- ◆ Step#8: Meet matching requirements and document in-kind contributions appropriately.
- ◆ Step#9: Report timely and accurate financial information.
- ◆ Step#10: Maintain good internal controls.

### **STEP #1: KNOW YOUR REGULATORY REQUIREMENTS**

Regulatory requirements provide the guidance and foundation for your financial management systems. For AmeriCorps programs, the following requirements apply:

- ◆ OMB (federal Office of Management and Budget) Circular Requirements;
- ◆ State Requirements;
- ◆ AmeriCorps Provisions; and

- ◆ Award Letter.

OMB circulars describe a wide variety of financial management issues including administrative requirements, cost principles, and audits. Specific circulars apply to educational institutions, non-profits and state and local government entities.

OMB Circulars No. A-110, A-21, and A-133 apply for educational institutions. OMB Circulars No. A-110, A-122, and A-133 apply for non-profit organizations. OMB Circulars No. A-87, A-102, and A-133 apply for state and local government entities.

The full text of all OMB circulars may be found on the internet at [www2.whitehouse.gov/WH/EOP/OMB/html/circular.html](http://www2.whitehouse.gov/WH/EOP/OMB/html/circular.html).

## **STEP #2: DOCUMENT YOUR POLICIES AND PROCEDURES**

Documented policies and procedures are important because they establish the standards for an organization's operations and maintain information that is crucial to operations. Maintaining written policies and procedures also helps in orienting new employees and substitutes if the appropriate personnel are absent.

Examples of policy and procedural documentation are:

- ◆ Identification and description of the principal accounting records (i.e., general ledger, budgets, FSRs, etc.)
- ◆ Assignment of responsibilities, delegation of authority, etc.
- ◆ Explanations of documentation and approval requirements for expenditures.
- ◆ Instructions for recurring tasks such as:
  - ◆ Preparing monthly reports
  - ◆ Bank reconciliations
  - ◆ Completing FSRs
  - ◆ Reviewing budgets and match requirements
- ◆ A Chart of Accounts
- ◆ Key Personnel Policies such as:
  - ◆ Acceptable standards of conduct
  - ◆ Vacation, sick leave, overtime and holidays
  - ◆ Probation period
  - ◆ Performance reviews, etc.
- ◆ Key Accounting Policies such as:
  - ◆ Procurement standards

- ◆ Requisition and check request approvals
- ◆ Check signer limits
- ◆ Disposal of company assets
- ◆ Travel
- ◆ Personal use of company supplies
- ◆ Preparation and review of financial reports

**STEP#3: MAINTAIN ADEQUATE DOCUMENTATION TO SUPPORT EXPENDITURES**

Design a filing system to group grant activities and documents. Include items such as:

- ◆ Grant letter, amendments and original grant application
- ◆ Documents from sub-grantees
- ◆ Expenses/vendors, consultant agreements, etc.
- ◆ General correspondence
- ◆ Monthly financial reports (e.g., budget to actual expenditure reports)
- ◆ Lease agreements
- ◆ General liability insurance policy
- ◆ In-kind contributions documentation
- ◆ Other relevant documents

All expenditures should contain documentation (i.e., brief descriptions, agendas, reports, etc.) that supports why the transaction is allowable for AmeriCorps purposes. All financial reports should lead clearly back to ledgers and source documentation.

Equipment records must be maintained for all equipment in use and should include at a minimum:

- ◆ Description and funding source (including grant number)
- ◆ Manufacturer serial number
- ◆ Title holder's name and address
- ◆ Acquisition date and cost
- ◆ Percentage of federal financial participation

Note: All equipment and supplies with a cost greater than \$1,000 need prior approval from the Corporation for National Service. At the end of a program, equipment with a fair market value of \$5,000 or more may be retained for non-federal program use if the Corporation is compensated.

**STEP#4: MANAGE CASH EFFECTIVELY**

Minimize the time that elapses between the receipt of funds and the disbursement of these funds by doing the following:

- ◆ Depositing federal funds in an interest bearing account
- ◆ Ensuring that the accounting system tracks interest earned on federal funds
- ◆ Maintaining separate general ledger accounts for each award (federal, state, or private)
- ◆ Preparing monthly bank reconciliations
- ◆ Preparing a schedule of all bills to be paid

**STEP #5: DESIGN AN EFFICIENT ACCOUNTING SYSTEM**

Design an efficient accounting structure that

- ◆ Accounts for each award/grant separately
- ◆ Maintains federal/non-federal matching funds separately from grant funds
- ◆ Records in-kind contribution as both revenues and expenses. For example, if personnel services, supplies and equipment, with values of \$40,000; \$6,000; and \$12,000, respectively, were donated to a subgrantee during the program year, those values should be included under Revenues as Contributions and as Expenses under the respective objects of expenditure (i.e., salaries, supplies, equipment).

An effective accounting structure should facilitate easy transaction input and report generation. Accounting records should be complete with all AmeriCorps expenditures and local match entered into the general ledger system. The general ledger should form the basis for the preparation of the Financial Status Report. Financial statements should reflect the receipt and use of cash and in-kind contributions.

**STEP#6: MAINTAIN EFFECTIVE BUDGETARY CONTROLS**

The budget is a central part of fiscal control, which, when compared to actual spending can provide important information about variances from the original spending plan. To produce useful budgetary information,

- ◆ Design an effective accounting system;
- ◆ Set up the budget control process;
- ◆ Accumulate monthly expenditures;
- ◆ Compare actual expenditures to budget; and
- ◆ Make appropriate revisions.

**STEP#7: DOCUMENT AND REPORT EMPLOYEES' AND MEMBERS' ACTIVITIES ACCURATELY**

All salaries and wages charged to AmeriCorps grants must be supported by signed Time and Attendance records except for:

State, Local and Indian Tribal governments, which must comply with OMB A-87 and Educational Institutions, which must comply with OMB A-21.

**STEP #8: MEET MATCHING REQUIREMENTS AND DOCUMENT IN-KIND CONTRIBUTIONS APPROPRIATELY**

All contributions, both cash and in-kind, must be properly valued and clearly identifiable from the grantee's records, have adequate supporting documentation, and meet the criteria established by the appropriate circular, A-110 or A-102 implemented by 45 Code of Federal Regulations 2541.

**STEP #9: REPORT TIMELY AND ACCURATE FINANCIAL INFORMATION**

Submit, via the Web-Based Reporting System, quarterly financial status reports (FSRs) 30 days after the end of the quarter.

Submit, via the Web-Based Reporting System, the final FSR 90 days after the close of the grant.

Include in-kind contributions in financial statements.

**STEP #10: MAINTAIN GOOD INTERNAL CONTROLS**

Make organizational operations more efficient by:

- ◆ Protecting organizational resources from waste, fraud and inefficiency;
- ◆ Ensuring accuracy and reliability in accounting and operating information;
- ◆ Securing compliance with company policies; and
- ◆ Evaluating the level of performance in all divisions of the organization.
- ◆ Examples of good internal controls include:
  - ◆ Adequate segregation of duties. The same employee should not authorize a purchase, record the purchase, sign the check, and reconcile the bank statement in the accounting system. Utilize the worksheet in Attachment P to ensure that your organization has adequate segregation of duties.
  - ◆ Tiered approval process for disbursement of funds. Set differing levels for approving purchases by, for example, requiring two signatures on check for purchases over \$1,000.
  - ◆ Maintaining documented policies and procedures;
  - ◆ Establishing an adequate review process for financial reports and budgets;
  - ◆ Maintaining adequate cash management procedures, such as monthly bank reconciliations;
  - ◆ Ensuring the physical safety of assets by insuring, maintaining, and tracking property;
  - ◆ Establishing and maintaining a system to track members' and employees' time and



activities; and

- ◆ Establishing a system to follow-up on problems identified to ensure resolution.

## **200    FINANCIAL MANAGEMENT REQUIREMENTS**

### **201            GENERAL**

To build a good financial management system, the program must use standard accounting practices, using general ledgers and similar books of record supported by source documentation which establish a clear audit trail. The following is a list of tasks the program must do:

- Maintain financial reports that lead clearly back to ledgers and source documents.
- Document payroll through time and attendance records, and payroll tax records
- Maintain written cost allocation procedures and individual time distribution records which allow the programs to identify and segregate costs chargeable to the grant
- Separate financial responsibilities (for example: having one person sign the checks and another reconcile the bank statement, or one person authorizing expenditures and another posting them in the ledger and balancing the books)
- Insure, maintain, and keep track of the program's property
- Protect organization's through liability insurance
- Document and track in kind and cash match to the grant award

### **202            ALLOCABLE COST**

An allowable cost is allocable to the AmeriCorps grant (either as a program cost or an administrative cost) if it is:

- Incurred specifically for the AmeriCorps program or
- Benefits both the AmeriCorps program and other work, but can be distributed fairly between the grant and another funding source,
- Necessary to the overall administration of the program

### **203            ALLOWABLE COSTS**

A cost is considered allowable under the grant if it is:

- Reasonable
- Budgeted for under the grant

- Complies with generally accepted accounting principles
- Complies with OMB cost principles
- Not charged against any other grant or used to match other grant funds
- Treated consistently with other costs incurred by the organization
- Documented

See attachment A for specific examples.

## **204            FINANCIAL RECORDS**

Programs must document every cost charged to the grant. For example, programs must keep signed time and attendance records for each and every individual employee and Member. Payroll documents shall be approved by an official of the organization. Programs allocating an employee's salary between this grant and another funding source, must keep individual time distribution records. Programs must keep source documentation for other costs such as: receipts, travel vouchers, invoices, bills, affidavits, volunteer costs. Programs must also document all in-kind and other matching contributions, including grant award documents and receipts from other funding sources.

## **205            DISPOSAL OF RECORDS**

Programs must make reasonable efforts to protect the confidentiality of disposed program records in such a way as to protect the identity and privacy of members.

## **206            RETENTION OF FINANCIAL RECORDS**

All financial records, supporting documentation, member information, statistical records, evaluation data, and personnel records must be kept and available to the Corporation and the Commission for 3 years after the grant closes.

## **207            RECEIPTS FOR PROGRAM COSTS INCURRED**

All receipts must remain on site for audit purposes. Programs must keep adequate records so an auditor can link billable items to source payment documentation.

## **300            ACCOUNTING SYSTEM AND STRUCTURE**

### **301            GENERAL**

The program must establish and maintain an adequate accounting and internal administrative control system.

The accounting system must fully record the amount and disposition of all program funds. Accounting records must show receipt of funds and expenditures by source

(e.g., federal, state, or local).

Match funds and related expenditures must be identified in the accounting records (i.e., general ledger).

A fund accounting system must be maintained that ensures all Commission income and expenditures are separately identifiable from non-Commission funds.

Financial institutions used for the deposit of grant funds must be insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC).

### **302 ACCOUNTING SYSTEM**

The accounting system must include the account structure, accounting records, and procedures that define how and by whom the funds are handled. Accounting records must identify the receipt and the expenditure of all Commission funds. The accounting system should conform to Generally Accepted Accounting Principles (GAAP).

Accounting systems for Commission Programs may be on a cash, accrual, or modified accrual basis. Note: Commission payment requests should be made only on a cash basis.

### **303 CASH BASIS**

Under a cash basis system, revenue is not recognized when it is earned, but rather only when the payment is received. Similarly, expenses are recognized when they are paid, not when they are incurred.

### **304 ACCRUAL BASIS**

Accrual basis revenue is recognized in the accounts when the transaction occurs (when earned), regardless of the period in which the related cash is collected. Expenses are recognized and matched with the revenue of the period to which it relates, regardless of when it is paid.

### **305 MODIFIED ACCRUAL BASIS**

Modified accrual basis is a compromise between the cash and accrual systems used by most governmental units. Revenues are recognized either when they are received in cash (e.g., licenses or fines), or when collection of the amounts can be reasonably estimated to be received in the near future (e.g., property taxes). Expenses are generally recognized in the period in which goods and services are received or a liability is incurred.

The accounting system must provide accurate and current financial reporting information. All accounting records and supporting documentation must maintain a clear audit trail.

The program must establish and maintain a system of internal accounting control adequate to safeguard grant assets, review the grant accounting and financial data for accuracy and reliability, and promote operational efficiency.

### **306 GENERAL LEDGER ACCOUNT STRUCTURE**

Expenditures of grant funds must be recorded in categories which parallel the grant award.

All general ledger account entries must be supported by the subsidiary records and the original source documentation. The format of the subsidiary records is determined by the program. The program must be able to show with documentation (i.e., work sheet) that general ledger entries can be traced (reconciled) to the reimbursement claim.

### **400 MATCH REQUIREMENTS**

#### **401 CASH MATCH**

Cash match, also known as hard match, is income from a source other than federal funds that is budgeted for the program. Programs must provide a minimum 15% cash match for Category A, member support.

#### **402 IN-KIND MATCH**

In-kind match, also known as soft match, is the program's contribution of non-cash outlay of materials or resources to support a percentage of Commission grant award activities. It may include non-cash outlay contributed by other public agencies and institutions, private organizations and individuals. Examples include donated office supplies, equipment, and professional services. In general, the value of in-kind contributions is determined by fair market value.

Programs must maintain documentation to support the claimed hourly salary rate of the services. The rate claimed should be comparable to the rates for paid employees performing similar duties.

The documentation maintained should include duty statements for the volunteer positions and the comparable paid employee positions and information regarding the hourly salary rates paid to those particular employees. The hourly volunteer rate used, multiplied by the volunteer hours worked, total the dollar amount of the in-kind contributions. This calculation and the other referenced documentation should be maintained as part of the accounting records.

**403 REQUIRED MATCH**

The minimum required match for AmeriCorps grants is 15% cash for Category A and 33% cash or in-kind for Categories B-F.

**404 OVER MATCH**

Programs should budget only that match which is required. All match specified in the budget is part of the grant award, and is subject to all programmatic restrictions, audit requirements, and cannot be reduced by the program once the grant proposal is approved.

**500 ADMINISTRATIVE COSTS****501 GENERAL**

Administrative Costs include: indirect costs and costs to support the organizations overall administration, such as rent and utilities for office space, legal, and accounting services, and organizational insurance. They include the portion of time not spent on AmeriCorps. Administrative costs are budgeted for in category F of the approved grant budget. The grant award contains an administrative cap (no more than 5% of grant funds, limiting the amount of administrative costs allocated to the grant). Administrative costs include the following:

- General Liability Insurance
- Audit Services
- Purchase of Fidelity bonds
- Disbursing Services

**502 LIMITATION BY STATUTE**

The maximum Corporation share of Administrative costs cannot exceed 5% of total Corporation funds actually expended under the grant.

**503 FIXED 5%**

If approved on a case-by-case basis by the Corporation, the grantee may charge, for administrative costs, a fixed 5% of the total of the Corporation funds expended. In order to charge this fixed 5%, the grantee match for administrative costs may not exceed 10% of all direct cost expenditures. These rates may be used without supporting documentation and are in lieu of an indirect cost rate.

**504 INDIRECT COST RATES**

If grantees have an approved indirect cost rate, such rate will constitute documentation of the grantee's administrative costs including the 5% maximum payable by the Corporation and the grantee match of administrative costs.

If a grantee wants to claim more than 10% match in administrative costs it must have or obtain an approved indirect cost rate. Where appropriate, the Corporation will establish an indirect cost rate that may be used for this and other Federal awards.

## **505                    CONSISTENCY OF TREATMENT**

To be allowable under an award, costs must be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the organization. Furthermore, the costs must be accorded consistent treatment in both federally financed and other activities as well as between activities supported by different sources of federal funds.

## **600    INSURANCE**

### **601                    FIDELITY BONDS**

Programs shall have and maintain a fidelity bond in the minimum amount of twenty percent of the total amount of federal funds

Programs shall submit an applicable Certification of Insurance (ACCORD 25) to the Commission as evidence of compliance with said bond requirement prior.

### **602                    EXEMPTIONS**

A bond is not required of programs sponsored by units of government. Nonprofit organizations sponsored by units of government may submit documentation indicating this in lieu of the bond or equivalent insurance contract.

### **603                    LIABILITY INSURANCE**

Programs must have sufficient liability insurance to protect the organization, employees, and members. Members engaged in both on and off site program activities must be covered. Programs decide how much liability coverage is sufficient, given the specific risk factors the program presents. General liability insurance is an administrative cost which can be charged against the grant (subject to the grant's administrative cost limit) or included in the program's match. If in the approved budget, insurance purchased specifically to cover member liability can be charged as a direct program cost. A good resource is a publication by the Nonprofit Risk Management Center called "Insurance Basics for Community Service Programs".

## **700    PROHIBITED EXPENSE ITEMS**

**701 FUNDRAISING**

Commission grant funds cannot be used for organized fundraising, including financial campaigns, endowment drives, solicitation of gifts and bequests, or similar expenses incurred solely to raise capital or obtain contributions.

**702 REAL PROPERTY AND IMPROVEMENTS**

Real property, including land, land improvements, structures and their attachments, and structural improvements and alterations are not allowable.

**703 INTEREST**

The cost of interest payments is not an allowable expenditure.

**800**

**804 FOOD AND BEVERAGES**

The cost of food and /or beverages at grant-sponsored conferences, meetings, or office functions are not allowable expenditures.

**900 BUDGET AND PROGRAMMATIC CHANGES**

**901 CORPORATION/COMMISSION APPROVAL REQUIRED**

Programs must obtain written approval from the Corporation and the Commission before making the following budget changes:

- Changes in the scope or specific goals and objectives of the program
- Changes in (or absences of) the program director and other designated personnel
- Changes in the level of member supervision
- Sub granting or contracting out any program activities (if not in grant)
- Changes in the grant period
- Other costs requiring prior approval under the OMB cost principles circular
- Reallocation of funds from "Other Participant Support Costs" line items
- Purchases of equipment over \$1000 using grant funds (if not in the grant budget)
- Within the "Other Member Costs" category, the Grantee may not decrease funds budgeted for training and education without prior Corporation approval.

The Commission may withdraw unneeded funds in the "Member Support Costs" cat-

egory (Category A). This category includes living allowances, FICA, and worker's compensation, health care, and alternative health care. These costs are directly related to the number of Members the program agreed to enroll. If Members drop out, funds may not be used to pay for other costs.

**902                    BUDGET REVISIONS**

Individual line item expenditures may not exceed 10% or \$10,000 of the budgeted amount without prior approval of a budget revision by the Commission.

The program may request changes to an individual line item in the program budget by submitting Commission form CC110 (See attachment D). Budget revisions require prior Commission approval.

**1000   PERSONNEL SERVICES - SALARIES AND BENEFITS**

**1001                    PROGRAM DIRECTOR**

The program director has general administrative authority for implementing program activities and maintaining compliance with all program, administrative and fiscal requirements of the grant award.

The program director is responsible for:

- A. Ensuring that any program monies expended or obligated are for allowable costs and are in compliance with the approved budget;
- B. Maintaining required documentation of program activities and accomplishments; and
- C. Signing all reports and grant modifications.

**1002                    FINANCIAL OFFICER**

The Financial Officer monitors the actual receipt and payment of grant monies. The financial officer is responsible for:

- A. Maintaining proper accounting records;
- B. Signing fiscal reports, grant modifications and progress reports where appropriate; and
- C. Ensuring the appropriate expenditure of grant funds.

The financial officer must be someone other than the program director.

**1003                    PROVISIONS REGARDING ALLOWABLE COMPENSATION FOR PERSONNEL**



Salaries and benefits of personnel involved in more than one grant or program must be charged to each grant based on the actual percentage of time spent on each grant or program. The annualized actual percentage charged for a particular position (e.g., Program Director) cannot exceed the annual percentage approved in the Commission grant award. Similarly, the dollar amount charged for a particular position also must not exceed the dollar amount in the approved grant award. Timesheets must be maintained which support the time charged to Commission grants.

**Example A:** If the Commission grant award budget allows 100% of salaries and benefits for the program director and during the grant period the organization received grant or program funds from another agency that the program director administers, the actual time spent on each of the programs must be accounted for. Because there is more than one program and funding source, the program director is no longer spending 100% of his/her time on the Commission program. Even though the Commission grant established a maximum of 100% for the program director's position, the organization may only charge the Commission the actual time spent by the program director on the Commission program. If only 25% of the program director's time is used for the Commission grant, then only 25% of the dollar amount in the grant award can be claimed.

**Example B:** The Commission grant award budgets 20% of salaries and benefits for a program trainer. During the grant period the actual time spent by the program trainer amounts to 50% of actual hours charged. The Commission can only be charged 20% of the salaries and benefits amount listed in the approved grant award for the program trainer. If the program trainer had actually spent only 10% of his/her time on Commission programs, and 20% was what was actually budgeted, the Commission can only be charged 10% of the salaries and benefits amount for the program trainer. A budget revision must be submitted for approval of any allocation changes.

#### **1004 WRITTEN JOB DESCRIPTION**

Programs must have on file written job descriptions (as opposed to job specifications) for all positions funded by the Commission, detailing specific grant-related activities to achieve program objectives. These duty statements shall reflect specific grant related duties required by the objectives of the program and should not be the standard job classification description for this title of position within the agency.

Where applicable, job descriptions will also include a statement addressing the tracking of program activities and the maintenance of appropriate source documentation in support of data reported on progress reports.

#### **1100 TRAVEL AND PER DIEM**

**1101 GENERAL**

Travel is warranted when personal contact by the employee is the most appropriate method of conducting program-related business.

The most economical method of transportation, in terms of direct expenses to the program and the employee's time away from the program, must be used.

Programs are required to include sufficient per diem and travel allocations for program-related personnel, as outlined in the grant award, to attend the mandated Commission training conferences or workshops.

Out-of-state travel is restricted and only allowed in exceptional situations. Commission approval should be received prior to any out-of-state travel. To request approval for out-of-state travel, submit a request and justification to the Commission. (See attachment N for sample form)

**1102 TRAVEL CLAIMS**

Documentation of travel indicating times of departure and return, destinations, and costs, must be maintained to support subsistence allowance (per diem) claims. Mileage logs and receipt vouchers for commercial transportation fares and other expenses must support claims for reimbursable expenses. (See attachment F for sample form)

**1103 TRAVEL REIMBURSEMENT GUIDELINES**

Programs may be reimbursed for authorized travel costs, not to exceed the following maximum rates established by the State Department of Personnel Administration:

Meals	Up to	Lodging
Breakfast	\$6.00	\$24.99 (without a lodging receipt)
Lunch	\$10.00	
Dinner	\$18.00 up to	\$79.00 plus tax (with a lodging receipt)
Incidentals	\$6.00	

**1104 REIMBURSEMENTS FOR TRAVEL PERIODS OF OVER 24 HOURS**

For travel which is a fractional part of a period of short term travel of more than 24 hours, the authorized allowance for meals or lodging may be claimed, within the following guidelines:

1. **Lodging:** A lodging reimbursement may be claimed if travel is extended overnight.
2. **Breakfast:** A breakfast reimbursement may be claimed if travel extends past

9:00 a.m.

3. Lunch: A lunch reimbursement may be claimed if travel extends past 2:00 p.m.
4. Dinner: A dinner reimbursement may be claimed if travel extends past 7:00 p.m.

If the 24 hour allowance provides a reimbursement for meals, the application of this paragraph shall not result in a duplicate meal allowance for a meal which has already been claimed.

## 1105 TRANSPORTATION COSTS

If an employee uses her/his car in lieu of air transportation, the maximum amount which the State will reimburse the local agency shall be either the air coach or the mileage rate, whichever is less.

The State mileage rate is 31 cents per mile. However, if the actual cost to operate the vehicle is greater than 31 cents per mile, the agency may claim up to 37 cents per mile, provided the agency is able to substantiate for audit purposes that the actual motor pool costs are at least the rate claimed.

When a program employee uses her/his car for transportation for official program business, the rate of mileage reimbursement shall be 31 cents per mile. However, if the actual cost to operate the vehicle is greater than 31 cents per mile, the employee may claim up to 37 cents per mile, provided the employee certifies that the cost of operating the vehicles is equal to or greater than the mileage rate claimed.

Local programs shall retain for audit purposes receipts for other transportation-related costs, such as charges for commercial carrier fares; overnight and day parking; bridge tolls; necessary taxi, bus, or streetcar fares; and commercial auto rental.

## 1200 CONSULTANT SERVICES

### 1201 GENERAL

Consultant services are provided on a contractual basis by individuals or organizations that are not employees of the program. Consultants must not be used in lieu of employees.

Consultants are defined as individuals or organizations that meet any of the following criteria:

- A. Produce a specific product or service;
- B. Work independently without direct supervision from the program;
- C. Work on specific programs;
- D. Provide services for a limited number of hours or period of time; and/or
- E. Have no agency management or oversight responsibilities that are directed toward the financial success or direction of the agency.

There must be a signed, written agreement between the organization and consultant specifying the contract period, compensation rate, duties or obligations, and any other conditions of employment. The maximum daily rate for Consultants is \$443 per day.

#### **1300 PROGRAM AND OTHER INCOME**

##### **1301 PROGRAM INCOME**

Program income is defined as the profit resulting from income generated through or as a consequence of a Commission grant-funded program. Profit is the amount of income remaining after deducting costs.

Program income must be used to fund the grantee share of the match.

#### **1400 PAYMENT OF REIMBURSEMENT CLAIMS**

##### **1401 GENERAL**

Programs may submit claims for reimbursement of costs no more frequently than monthly or less frequently than quarterly. The Commission reimburses for approved, budgeted, expenditures already incurred. Under no circumstances will the Commission advance funds or reimburse programs for unauthorized or unallowable expenses.

Commission staff review claims to ensure they are for expenses approved in the program budget and are in compliance with the required match funding. Claims that do not comply with those requirements will be returned.

Programs that claim for more than one month must complete a separate claim for each month in the billing cycle so that monthly expenditures can be tracked.

Typically, programs can expect to receive payments 30-45 calendar days after receipt of the CC100. Programs must project this timetable to avoid potential cash flow problems. Programs anticipating cash match or cash flow problems need to contact the Commission ASAP.

##### **1402 HOW TO SUBMIT A REIMBURSEMENT CLAIM/EXPENDITURE REPORT TO THE COMMISSION**

**Important Note:** Incomplete or Incorrect invoices will be returned to the program

**Step 1:**

Copy side A of the standard claim Form # CC100 revised 8/97 onto official letterhead of

the fiscal agent (or create your own template of the form on letterhead). Provide the following information on side A of the form:

1. Name of fiscal agent and address to send payment to (Note: Check must be made payable to the fiscal agent which may differ from the program name)
2. Program Name
3. Date claim is being filled out
4. Grant number (Refer to Commission contract face sheet for this number)
5. Federal Tax Identification Number
6. Period claim is for i.e: 11/1/97 to 11/30/97 or November 1997
7. Is this the final claim for grant year?
8. Request No. should be number "1" for the first billing period, "2" for the second etc....
9. Total dollar amount of claim
10. Contact person for questions concerning claim
11. Phone number of contact person
12. Signature of certifying official

**Step 2:**

1. Complete side B of Form # CC100 . The budget items correspond to the program's approved budget. Budget total is the category amount from approved budget and is split between Corporation share and Grantee share. The Current Expenditures column is the total expenditures in the time period. The year-to-date column is calculated by adding current expenditures to the year-to-date column from the previous month. (For the first invoice, columns current expenditures and year-to-date will match). Programs must reflect the minimum 15% cash grantee share for category (A) and 33% cash or in-kind match for categories (B)-(F) in the invoice.
2. The Balance column is calculated by subtracting year-to-date from the budget total. This gives the program a running total of how much is left in the grant and also allows the tracking of the programs match.
3. Check all figures to ensure they add correctly. Check all other information on the invoice for accuracy.

**Step 3:**

1. Make four copies of Form CC100. Obtain an "Authorized Signature" on each copy, an authorized signature is the signature of the Program Director or Fiscal Officer. The signature must be original on all copies.
2. Mail three copies of the claim to the Commission. Keep one copy for the program records.

**1403 SUBMITTED CLAIMS**

Amounts must be reported in whole dollars, rounded up when \$.50 or above and rounded down when \$.49 or below.

The grantee must expend cash before claiming an expenditure. The grantee must not request funds for expenses that have not been paid.

**1404 CLAIMED EXPENSES**

The claimed expenses must be grant-related (i.e., they must further the program objectives as defined in the grant award agreement) and be incurred during the grant period. The Commission reserves the right to make the final determination if an expense is allowable and necessary.

**1405 FINAL REPORT OF EXPENDITURES AND REQUEST FOR FUNDS**

The program must submit the final CC100 within 30 calendar days of the end of the liquidation period. The liquidation period is the 60 calendar days immediately following the end of the grant award period unless specified otherwise in the grant award conditions. If the grantee does not submit a final claim within 120 days from the end of the grant award period, the Commission may consider the last claim submitted as the final, and close out the grant award. Once the Commission has processed the final claim, the grant will be closed and no further payment activities against the grant will be permitted.

A minimum of ten percent of funds awarded to the program will be held until the Commission has verified that all requirements of the grant award have been met. Failure to comply with these requirements may result in the reduction or termination of the grant award or withholding or disallowance of grant payments.

**1406 DOUBLE BILLINGS**

Programs are prohibited from billing other federal, state, or local agencies for goods and/or services which have been billed and/or reimbursed to the program by the Commission.

**1500 OMB CIRCULARS**

**1501 COST PRINCIPLES**

Circulars on cost principles describe the type of expenses the program can charge to the grant. In addition the circulars explain how to allocate costs between funding sources. Non-profit organization cost principles are contained in Circular A-122. Cost principles for institutions of higher education, are contained in circular A-21. Cost principles for government agencies are contained in OMB circular A-87. These circulars address two basic issues: whether the cost is allowable and is it allocable to the grant.

**1502 UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND**

## AGREEMENTS

Non-profit organizations or institutions of higher education, are covered by OMB Circular A-110. State or local government agencies are covered by OMB circular A-102. The Circulars address the adequacy of financial management systems, including accounting methods, internal controls, income and expense documentation, and written cost allocation policies. They cover:

- ΣFinancial Management
- ΣFederal grant payments including advance payments
- ΣThe requirement to deposit grant funds in an interest-bearing account
- ΣThe obligation to return interest on grant funds in an interest bearing funds to the Federal Government
- ΣEquipment purchases, inventory, and disposal
- ΣMatching funding, including in-kind contributions
- ΣProgram income
- ΣProducts produced with grant funds
- ΣFinancial reporting and record-keeping requirements
- ΣClose-out procedures
- ΣRemedies for non-compliance

### THE FOLLOWING CIRCULARS APPLY TO STATE GOVERNMENT:

#### OMB CIRCULAR DESCRIPTION

- A-87 Cost Principles for Local and State Governments
- A-102 The Common Rule for Uniform Administrative Requirements and Cooperative Agreements to State and Local Governments
- A- 133 Audits of State and Local Governments

### THE FOLLOWING CIRCULARS APPLY TO NON-PROFIT ORGANIZATIONS:

#### OMB CIRCULAR DESCRIPTION

- A-110 The Common Rule for Uniform Administrative Requirements and Cooperative Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations
- A-122 Cost Principles for Non-Profit Organizations
- A- 133 Audits of Institutes of Higher Learning and Other Non-Profit Organizations

### THE FOLLOWING CIRCULARS APPLY TO EDUCATIONAL INSTITUTIONS:

#### OMB CIRCULAR DESCRIPTION

- A-110 The Common Rule for Uniform Administrative Requirements and Cooperative Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations

- A-122 Cost Principles for Educational Institutions
- A- 133 Audits of Institutes of Higher Learning and Other Non-Profit Organizations

## AUDITS

### 1601 GENERAL

Programs may be audited by an independent agency to determine whether:

- ΣFinancial operations are properly conducted
- ΣFinancial reports are fairly presented
- ΣThe program has complied with all applicable laws, regulations, and administrative requirements that affect the expenditure of program funds

### 1602 REQUIREMENTS FOR GRANTEES

OMB Circular A-133 was recently revised and applies to all grantees of federal funds.

Some of the more significant points contained in the revised A-133 are:

- ΣEffective for fiscal years which begin after June 30, 1996.
- ΣCircular A-128, applicable to State and Local Governments, is rescinded and those entities previously covered by A-128 are now covered by A-133.
- ΣEssentially all A-133 audits shall be performed annually. In some situations, under the old regulations, audits could be performed every two years.
- ΣApplies to non-profit organizations and state and local governments that expend \$300,000 or more in a year in Federal awards. Prior base was \$25,000. However, organizations or subrecipients whose expenditures range between \$25,000 and \$300,000 are required to have an A-133 audit performed for all fiscal years which began before July 1, 1996.

### 1603 SUBMITTAL OF AUDIT REPORTS

As a sub-recipient of Federal funds, programs must submit their audit reports to the Commission within 120 days of the end of the program fiscal year. Programs must follow up and correct identified weaknesses or findings. Programs that sub-contract with other agencies to administer programs, and provide \$300,000 or more in Federal funds, must require an A-133 audit and submittal of an audit report from the sub-contractor.

### 1700 EQUIPMENT



**1701 DEFINITION**

Equipment is nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit (including tax and installation).

**1702 ALLOWABLE EQUIPMENT**

Equipment which is directly related to and used for program activities, will only be considered for purchase approval if no other equipment owned by the applicant is available and suitable for the program.

Grant funds cannot be used to reimburse the program for equipment already obtained.

Equipment which is initially budgeted in the grant award should be ordered within the first four months so that it can be placed in service during the grant period.

**1703 PROPERTY/EQUIPMENT PURCHASE REQUIREMENTS**

Programs shall obtain prior written approval for the purchase or lease of equipment with either an acquisition cost of \$1,000 or a useful life of one or more years, unless listed in the program budget. However, prior written approval for the purchase or lease of vehicles and trailers must be obtained from the Commission in each instance, whether or not such action is included in the program budget. Programs must inventory equipment purchased with grant funds.

**1800 PROCUREMENT PROCEDURES**

**1801 GENERAL**

(A) All programs shall establish written procurement procedures. These procedures shall, at a minimum, include the following:

- (1) Avoid purchasing unnecessary items.
- (2) Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical procurement.
- (3) Solicitations for goods and services provide for all of the following:
  - (i) A clear and accurate description of the technical requirements for the material, product or service to be procured.
  - (ii) Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.
  - (iii) A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required.

- (iv) The specific features of “brand name or equal” descriptions that bidders are required to meet when such items are included in the solicitation.

## 1802 CODE OF CONDUCT

The program shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. No employee, Officer, or agent shall participate in the selection, award, or administration of the contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, Officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award.

## 1803 COMPETITION

All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. Awards shall be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to the recipient, price, quality and other factors considered. Solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by the recipient. Any and all bids or offers may be rejected when it is in the recipient’s interest to do so.

## 1804 COST AND PRICE ANALYSIS

Some form of cost or analysis shall be made and documented in the procurement files in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices together with discounts. (See attachment H for a sample bid sheet)

## 1805 PROCUREMENT RECORDS

Procurement records and files for purchases in excess of the small purchases threshold shall include the following at a minimum: (a) basis for contractor selection, (b) justification for lack of competition when competitive bids or offers are not obtained, and (c) basis for award cost or price.

## 1806 CONTRACT ADMINISTRATION

A system for contract administration shall be maintained to ensure contractor conformance with the terms, conditions and specifications of the contract and to ensure

adequate and timely follow up of all purchases. Recipients shall evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions and specifications of the contract.

## **1900 PROPERTY MANAGEMENT**

### **1901 GENERAL**

The programs property management standards for equipment acquired with Federal funds and federally-owned equipment shall include all of the following.

- (1) Equipment records shall be maintained accurately and shall include the following information:**
  - (i) A description of the equipment**
  - (ii) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number**
  - (iii) Source of the equipment, including the award number.**
  - (iv) Whether title vests in the recipient or the Federal Government**
  - (v) Acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost.**
  - (vii) Location and condition of the equipment and the date the information was reported.**
  - (viii) Unit Acquisition cost.**
  - (ix) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates the Federal awarding agency for its share.**
- (2) Equipment owned by the Federal Government shall be identified to indicate Federal ownership.**
- (3) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once a year. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. (See attachment I)**
- (4) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented; if the equipment was owned by the Fed-**

eral Government, the recipient shall promptly notify the Federal awarding agency.

- (5) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

## 2000 MONITORING

### 2001 DEFINITION

A monitoring visit is an on-site assessment by the Commission to determine if the program is in compliance with the Grant Award Agreement, Grant Provisions and the Federal Regulations. The goal of the monitoring process is to support programs and help achieve their goals. The monitoring will cover all areas of program operation.

### 2002 SCOPE OF MONITORING

The monitoring visit will cover all areas of program operation. Source documentation to be reviewed may include: data collection sheets, Member files, financial documents or any other documents that will substantiate data reported in progress reports. Achievement of program objectives will be verified by examining source data on several separate objectives

## 2100 DRUG-FREE WORKPLACE CERTIFICATION

### 2101 GENERAL

Through the enactment of Senate Bill 1120 (Chapter 1170, Statutes of 1990), the Drug-Free Workplace Act of 1990 ("the Act") was established requiring grantees to ensure the Commission that they will comply with the requirements of Government Code Sections 8350-8357.

### 2102 DEFINITIONS

- A. "Drug-free workplace" means a site for the performance of work done in connection with a specific grant or contract described in Government Code Section 8355 of an entity at which employees of the entity are prohibited from engaging in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance in accordance with the requirements of this chapter.
- B. "Employee" means the employee of a grantee or contractor directly engaged in the performance of work pursuant to the grant or contract described in Government Code Section 8355.
- C. "Controlled substance" means a controlled substance in Schedules I through V of

Section 202 of the Controlled Substance Act (21 U.S.C. Section 812).

- D. "Grantee" means the department, division, or other unit of an organization responsible for the performance under the grant.
- E. "Contractor" means the department, division, or other unit of a person or organization responsible for the performance under the contract.

## 2103 REQUIREMENTS FOR CERTIFICATION

Every person or organization awarded a contract or a grant for the procurement of any property or services shall certify that it will provide a drug-free workplace by doing all of the following:

- A. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person's or organization's workplace and specifying the actions that will be taken against employees for violations of the prohibition.
- B. Establishing a drug-free awareness program to inform employees about all of the following:
  - (1) The dangers of drug abuse in the workplace;
  - (2) The person's or organization's policy of maintaining a drug-free workplace;
  - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
  - (4) The penalties that may be imposed upon employees for drug abuse violations.
- C. Requiring that each employee engaged in the performance of the contract or grant be given a copy of the statement required by subdivision (a) and that, as a condition of employment on the contract or grant, the employee agrees to abide by the terms of the statement.
- D. Each employee must sign a written agreement that she/he received a copy of the statement and she/he will abide by it. The grantee/contractor then must maintain the documentation (signed agreement) on file.

## 2104 CERTIFICATION OF COMPLIANCE

The Commission is required by law to obtain written certification of compliance. The Drug-Free Workplace Certification must be signed by the designated individual authorized to sign the grant award will become part of the Commission grant award agreement.

## 2105 TERMINATION OF CONTRACT OR GRANT

- A. A determination of noncompliance will jeopardize eligibility for continued grant funding. Each contract or grant award may be subject to suspension of payments or termination of the contract or grant, or both, and the contractor or grantee may be subject to debarment, in accordance with the requirements of Section 8356 of the Act, if the Commission determines that any of the following has occurred:
  - 1. The contractor or grantee has made a false certification under Section 8355.
  - 2. The contractor or grantee violates the certification by failing to carry out the requirements of subdivisions (a) to (c), inclusive, of Section 8355.
- B. The Department of General Services shall establish and maintain a list of individuals and organizations whose contracts or grants have been canceled due to failure to comply with these provisions; and
- C. The Commission shall immediately notify the department of any individual or organization that has an award canceled on the basis of violation of these provisions.

## **2200 LOBBYING**

### **2201 GENERAL**

Commission grant funds shall not be used for the purposes of lobbying, as required by Section 1352, Title 31 of the U.S. Code, and implemented as 28 CFR, Part 69. This prohibition will be applied to both federal and state-funded grants. Any expenditure or use of funds, grant property, or grant funded positions for any lobbying activities are disallowed costs.

## **2400 PROGRESS REPORTS**

### **2401 PURPOSE**

Funded programs are required to participate in data collection and submit progress reports. Programs must keep accurate records to document the program's progress in achieving their objectives. The Corporation establishes the format and schedule for progress reports.

These records must be retained by the program for at least three years from the date of the termination of the grant or the date the final fiscal and program reports are submitted to the Commission, whichever is later. During programmatic monitoring visits, the Commission may review these records for accuracy and compare that data to the progress reports submitted by the program.

The progress reports provide the Commission and the Corporation with a formal process to document ongoing grant activities and program progress toward the achieve-

ment of stated program goals.

Acceptance of a grant obligates the program to allow employees and/or agents of the Commission unrestricted access to all program books, documents, papers, and records, including confidential client records, for inspection, copying and audit.

## 2500 FINANCIAL STATUS REPORTS

Programs are required to submit quarterly Financial Status Reports (SF 269A) to the Commission (See Attachments K and L for forms). Financial Status Reports (SF 269A) will no longer be done cumulatively over the life of the award. Beginning with the 97/98 program year, programs will now be required to report on each individual program year. The FSR for the first quarter of the 97/98 program year will include program expenditures for the 97/98 program year only.

Programs must submit Financial Status Reports by the following dates:

FSR PERIOD	DUE DATE
8/1/97 - 12/31/97	1/31/98
1/1/98 - 3/31/98	4/30/98
4/1/98 - 6/30/98	7/31/97
7/1/98 - 9/31/98	10/31/98
10/1/98 - 12/31/98	1/31/99

### Glossary

*Act* refers to the National and Community Service Act of 1990, as amended (42 U.S.C. §12501 et seq.)

*Administrative costs* are expenses associated with the overall administration of a Program, and are defined in the General Provisions, Clause 24, Administrative Costs.

*AmeriCorps National Service Network* means AmeriCorps\*State, AmeriCorps\*National, AmeriCorps\*Tribes and Territories, Volunteer in Service to America (VISTA), and National Civilian Community Corps (NCCC) Programs taken together as programs dedicated to national service. VISTA is authorized under the Domestic Volunteer Service Act (42 U.S.C. §4950 et seq.). NCCC is authorized under the National and Community Service Act (42 U.S.C. §12611 et seq.).

*Approved national service position* means a national service position for which the Corporation has approved the provision of a national service educational award as one of the benefits to be provided for successful service in the position.

*Cognizant agency* means the Federal agency coordinating audit and other fiscal requirements for those organizations with grants from multiple Federal agencies.

*Cooperative Agreement* is a type of Federal award with substantial Corporation involvement during the Project performance period, used in these provisions interchangeably with the term Grant or Grant Award.

*Corporation* means the Corporation for National and Community Service established under of the Act (42 U.S.C. § 12651).

*Educational Award* means an award provided to a Member who has completed a re-

quired term of service in an approved national service position successfully and who otherwise meets the eligibility criteria set forth in the Act. An educational award may be used: (1) to repay qualified student loans, as defined in the Act; (2) toward the cost of attendance at an institution of higher education, as those terms are defined in the Act; and (3) toward expenses incurred in participating in school-to-work programs approved by the Secretaries of Labor and Education.

*Grantee*, for the purposes of this agreement, means the direct recipient of this Grant.

The Grantee is legally accountable to the Corporation for the use of Grant funds and is bound by the provisions of the Grant.

*Indian tribe* means a band, nation, or other organized group or community, including:

(1) any Native village group as defined in § 3(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602 (c)), whether organized traditionally or pursuant to the Act of June 18, 1934 (commonly known as the "Indian Reorganization Act", 25 U.S.C. 461 et seq.); (2) any Regional Corporation or Village Corporation, as defined in subsection (g) or (j), respectively, of section 3 of the Alaska Native Claims Settlement Act 43 U.S.C. 1602 (g) or (i)), that is recognized as eligible for the special programs and services provided by the United States under federal law to Indians because of their status as Indians; and (3) any tribal organization controlled, sanctioned, or chartered by an entity described in paragraph (13)(i)(A) of this section.

*OMB* means the U.S. Office of Management and Budget, which issues uniform administrative, allowable cost and audit requirements for the administration of Federal grants and other agreements.

*National Service Trust* is the account established in the U.S. Department of the Treasury under the Act (42 U.S.C. §12601) for the purpose of holding and making payments of educational awards and other educational benefits to AmeriCorps Members.

*Member* means an individual:

- i) who is enrolled in an approved national service position;
- ii) who is a U.S. citizen, U.S. national or lawful permanent resident alien of the United States;
- iii) who is at least 17 years of age at the commencement of service unless the Member is out of school and enrolled
  - a) in a full-time, year-round youth corps Program or full-time summer Program as defined in the Act (42 U.S.C. §12572 (a) (2)), in which case he or she must be between the ages of 16 and 25, inclusive, or
  - b) in a Program for economically disadvantaged youth as defined in the Act (42 U.S.C. §12572 (a)(9)), in which case he or she must be between the ages of 16 and 24, inclusive;
- iv) has a high school diploma or an equivalency certificate [or agrees to obtain a high school diploma or its equivalent before using an educational award] and who has not dropped out of elementary or secondary school in order to enroll as an AmeriCorps Member (unless enrolled in an institution of higher education on an ability to benefit basis and is considered eligible for funds under section 484 of the Higher Education Act of 1965, 20 U.S.C. §1091), or who has been determined through an independent assessment conducted by the Program to be incapable of obtaining a high school diploma or its equivalent (provided that the Corporation



has waived the educational attainment requirement for the individual).

*Parent Organization* means a single entity, including an Indian tribe, that is responsible for implementing and managing a National Direct AmeriCorps Program.

*Program* means a national service Program, described in the Act (42 U.S.C. §12572(a)), carried out by the Grantee through funds awarded by the Corporation and carried out in accordance with Federal requirements and the Provisions of this Grant.

*Project* means an activity or set of activities carried out by a Program that results in a specific, identifiable community service or improvement:

- i) that otherwise would not have been made with existing funds; and
- ii) that does not duplicate the routine services or functions of the organization to whom the Members are assigned.

*Project sponsor* means an organization or other entity that has been selected to provide a placement for a Member.

*Service recipient* means a community beneficiary who receives a service or benefit from the service of AmeriCorps Members.

*State Commission* means, for the purposes of these Grant Provisions, the Commission on National and Community Service established by a State pursuant to the Act (42 U.S.C. § 12638), including an authorized alternative administrative entity to administer the State's national service plan and national service programs and to perform such other duties prescribed by law.

*Sub-Grantee* refers to an organization receiving an AmeriCorps Grant from a Grantee of the Corporation.

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